



Proven Solar Performance



RECs & On-Site Projects

Presented to the 11th National Renewable Energy Marketing Conference

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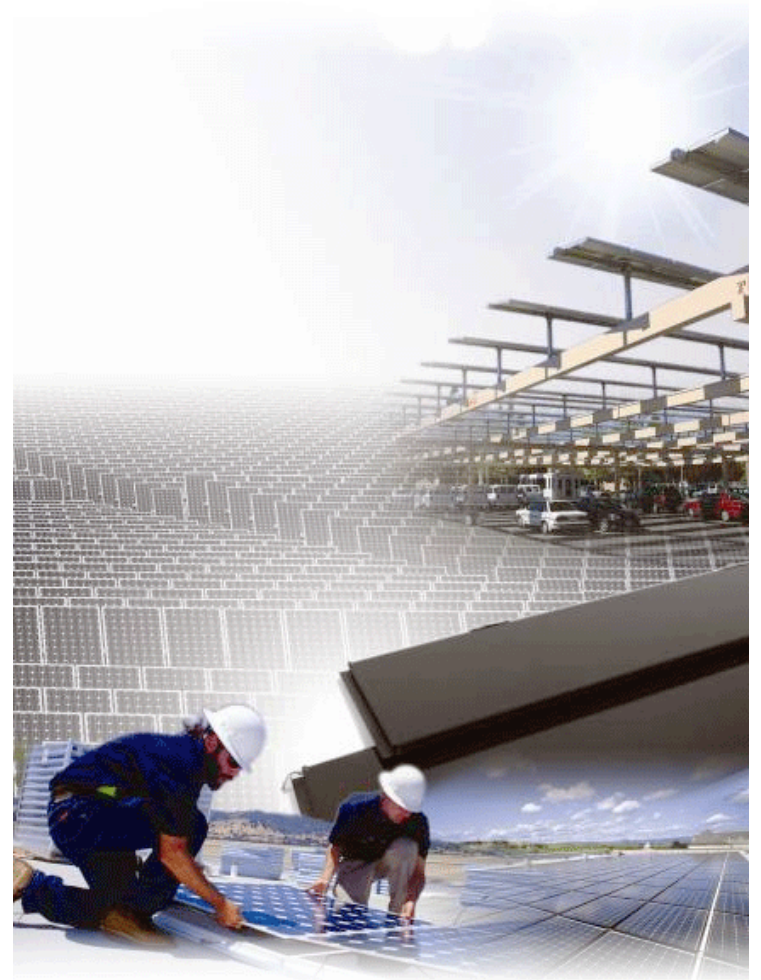
Agenda

1. On-Site Electricity's Value
2. Solar REC Overview
3. State-by-State Experience
 - New Jersey
 - Nevada
 - California

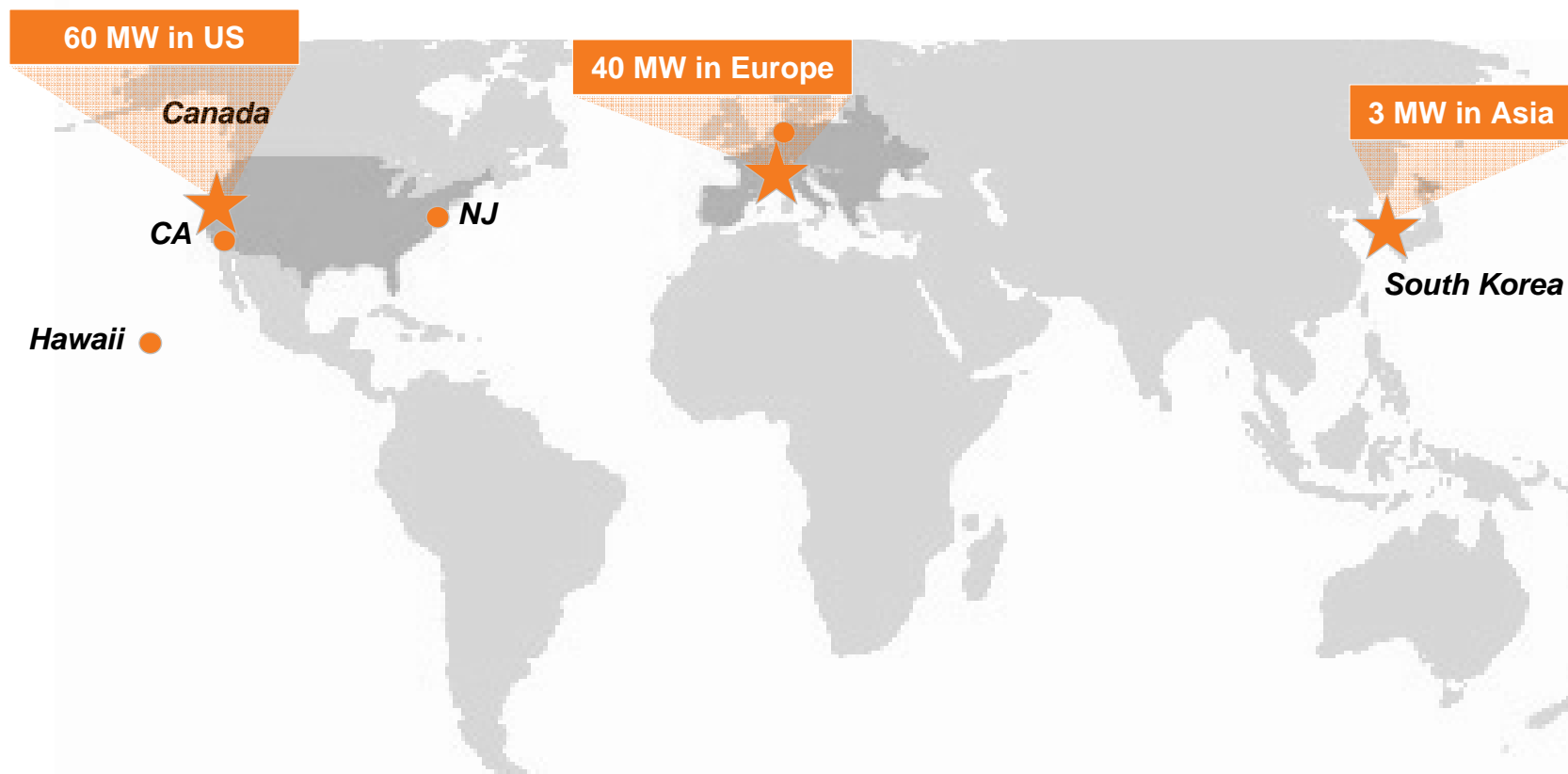
PowerLight Corporation

- Incorporated in 1995
- HQ offices in California and Switzerland
- Worldwide Leader in Large, Grid-Connected PV Systems
- Technology Leader with over 75 patents
- 70% CAGR over the past 10 years
- Over 150 million kWh produced to date
- Member of INC 500 Hall of Fame

Worldwide Locations



Proven Solar Performance



- Global leader in large-scale, on-grid solar power systems
 - Over 500 sites installed
 - 100 MW installed by 2006 EOY
 - Over 150m kWh generated to date by PowerLight Customers

Value vs. Connection Point

Central



- Energy: *Wholesale*
- Capacity: *Wholesale*
- Site: *Utility-Managed*
- Investment: *Utility*

~ 3-5 ¢/kWh

Distributed



- Energy : *Retail*
- Capacity: *Demand Savings*
- Site: *Customer-Managed*
- Investment: *Customer + Utility PGC*
- Saves Losses & T&D
- More Resilient Long-Term System
- Values for Building & Shade Mat'l

~ 10-25 ¢/kWh

Public Benefits Derived from On-Site Clean Energy

- Reduces transmission line use
 - Frees up space on lines and keeps lines running cooler
- Reduces use of dirty peaker plants
 - Because solar power is coincident with a large portion of most utilities' peak demand times
- Reduces marginal electric costs
- Can support weaker areas of the grid
- Reduces heat island effect
 - Especially if installed in parking lots

U.S. REC Markets

Compliance (RPS) Markets

- Policies lead to widely varying results for PV
- A tale of three states

Voluntary Markets

- Low prices
- Somewhat ambiguous rules

State specifics are key to project economics...

Compliance Market: New Jersey

- Huge Market Created
- Liquid Market for SRECs
- Cash Rebates + SRECs worked historically
- Need to tweak SREC program to make it work
 - Need higher level price ceiling (aka alternative compliance payment)
 - Need longer term SREC contracts
- Examples: Monmouth University, Wy Industries

Compliance Market: Nevada

- PCs (Production Credit) include what we think of as SRECs
- Utility RFP process is conducive to very large solar projects
- 20-year contracts enable lower REC pricing
- Examples: Las Vegas Valley Water District, Your Vitamins

Voluntary Market: California

- Ambiguity has hurt but not stopped SREC transactions
- Green-E Certification has enabled those deals to happen
- Even a small value on SRECs helps deals that are marginally not worth doing more economic
- Green Power Marketers still haven't figured out the best way to leverage the power of local SRECs or even out-of-state SRECs to increase their own sales—and the solar industry could do a better job helping to figure that out
- Examples: California municipal utility, a local non-profit, REC resellers



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